

Meeting of the

TOWER HAMLETS TRANSFORMATION AND IMPROVEMENT BOARD

Monday, 9 December 2019 at 6.00 p.m.

SUPPLEMENTAL AGENDA PACK A

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Agenda Item 4.2

<p style="text-align: center;">Transformation & Improvement Board</p> <p style="text-align: center;">9 December 2019</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Sharon Godman Divisional Director Strategy, Policy and Performance</p>	<p>Classification: Unrestricted or Exempt</p>
<p>Title: LGA Corporate Peer Challenge – follow up and future</p>	

1. Executive Summary

- 1.1. The LGA performed a Corporate Peer Challenge of the Council in June 2018. The Challenge process includes a follow up visit – suggested by the LGA to occur within two years of the original visit.
- 1.2. The purpose of the follow up visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team.
- 1.3. This report outlines the improvement journey to date, and seeks the Board's approval of a proposed approach to a follow up visit by the LGA, and looking ahead, seeks the Board to consider options for continuing the Council's public transformation and improvement journey in 2020.

2. Recommendations:

The Board is recommended to:

1. Approve the proposed approach for a follow up visit by the LGA Peer Challenge Team, as a part of the Corporate Peer Challenge process;
2. Agree on an LGA follow-up visit from June 2020, pending LGA Peer Challenge Team's availability; and
3. Consider the options for maintaining public scrutiny and holding the Council to account in continuing its transformation and journey in 2020 outlined at 3.33; and agree the preferred **option 4**.

3. DETAILS OF THE REPORT

LGA Corporate Peer Challenge 2018

- 3.1. As part of its sector-led improvement offer, the LGA provides a tailored Peer Challenge facility for all local authorities. These are sector-led improvement

reviews that look at a standard range of themes as well as the more specific requirements of the authority.

- 3.2. It was agreed by the Best Value Improvement Board in September 2017 that the Council adopt the LGA Peer Challenge as the chosen mechanism for providing the independent review of progress and improvement.
- 3.3. For LBTH, this focused on the Council's progress against the Best Value Directions it was placed under by the former Department for Communities and Local Government (now MHCLG) in December 2014.
- 3.4. The LGA performed a Corporate Peer Challenge of the Council in June 2018 which marked an important milestone in the Council's improvement journey.
- 3.5. Over four days, the Challenge consisted of interviews and focus group sessions with selected staff, councillors and partners – providing critical feedback on areas that may benefit from development, and allowed the Council to gain fresh insight into its progress, learn from best practice and set a course for the next stage of the Council's improvement journey.
- 3.6. The Peer Challenge Team identified a number of general areas where the Council can continue to improve:
 - There are still large areas of services in need of modernisation and some services are still traditional and paternalistic.
 - The Council needs to increase the pace of change and is currently too risk averse as a result of past decision making.
 - Furthermore, the organisation needs to take a more proportionate risk based approach and empower officers to be less cautious and bureaucratic in order to drive through improvements at a faster rate.
 - To ensure the Council moves forward quickly, there needs to be an unrelenting focus on the areas of failure.
- 3.7. Detailed feedback from the Peer Challenge Team is summarised at Appendix 1, but the key recommendations of the LGA Feedback Report were:
 - The Council now needs to grasp opportunities and drive the pace of change to achieve the potential of the place
 - Be forward looking and learn the lessons of the past but not be fettered by them
 - Be confident and bold about the Council's ability to be normal and even strive for excellence, review its risk appetite and take account of the role of Internal Audit in managing this
 - Increase the pace of decision-making and implementation by removing bad bureaucracy whilst retaining good governance
 - Address the barriers to sustainable change such as the over-use of interims and agency staff, some of the practices of the Human Resources department and the problems with the ICT systems
 - There needs to be an unrelenting focus on the previous areas of failure including Children's Services
 - Reform the services that are still traditional and paternalistic

- Maximise the potential, ability and enthusiasm of all Members
- Further break down silos and embed cross organisational working
- Continue to promote, cascade and embed behavioural and cultural change by engaging the whole organisation
- Maximise the advantages of the Council's financial standing whilst instilling more robust financial discipline and delivery of efficiency and value for money

Establishing the TIB and Transformation and Improvement Action Plan

- 3.8. In December 2018, the Mayor established the Transformation and Improvement Board (TIB) to continue the progress made by the Best Value Improvement Board, given the Secretary of State for Ministry of Housing, Communities and Local Government lifted directions placed on LBTH.
- 3.9. The TIB oversees the implementation of the Improvement Action Plan – the Council's response to the recommendations of 2018 LGA Corporate Peer Challenge.
- 3.10. The Improvement Action Plan sets out the activity planned in the response to each of the 11 key recommendations at 3.7 and is monitored on a quarterly basis by the TIB.

LGA Corporate Peer Challenge - follow up visit

- 3.11. The LGA Corporate Peer Challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team.
- 3.12. The follow-up is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council, but the expectation is that it will occur within the next two years, i.e. by June 2020.
- 3.13. It is expected that the follow-up visiting peer team will assess the Council's progress against all recommendations in the LGA feedback report.
- 3.14. It is also expected that the visiting peer team will assess the Council against areas of focus:
- Leadership and management
 - Approach to change
 - Performance monitoring
 - Financial planning and viability
 - Getting the best from staff

Self-Assessment

- 3.15. In preparation for the follow up visit CLT will be asked to complete an online self-assessment. This will help us to understand our progress in the last two years and identify areas where we still need to improve.
- 3.16. The LGA has developed a LGA Transformation and Innovation Exchange to support local authorities to deliver better value for money and improve outcomes for communities. Significantly, this includes a self-assessment tool which is designed to support councils to realise their ambitions for change and identify improvement opportunities. It will help councils to identify how effective they are currently, and where they would like to get to in 18 months' time. The tool is targeted at senior management and leadership teams and focuses on the following areas: leadership & management, approach to change, performance monitoring, financial planning and viability, and getting the best from staff.
- 3.17. The tool consists of a series of statements which are related to the key characteristics of an effective council, to which senior managers and lead councillors are invited to agree or disagree. The results identify the areas in which an authority is strong, or in which an authority may have potential for further improvement, and directs you to resources to help with that.
- 3.18. In summary, there are four stages to using the tool:
- 1) Senior managers to complete the tool, giving their own personal view about the authority – the LGA also suggests involving portfolio holders/lead councillors;
 - 2) Bring the senior managers together to compare their thoughts and arrive at a single, 'official' view about the authority;
 - 3) Review the results, to see the areas where the council is strong and, particularly, where it may benefit from further improvement – the tool also allows comparison to other authorities; and
 - 4) Discuss the 'official' view agreed by senior managers with the Leader and lead councillors (if they did not take part in the assessment); and then choose whether or not we wish to make public a summary of our self-assessment.

Timeframe

- 3.19. The timing of the visit is determined by the Council however the expectation is that this will be held within two years of the original review.
- 3.20. The self-assessment exercise will take place in January 2020 to allow sufficient time to work with the LGA to set out what areas we would like them to review in addition to the progress made against their recommendations.

Proposed approach: follow-up visit

- 3.21. SPP will contact the LGA to seek a follow-up visit, as a part of the June 2018 Corporate Peer Challenge, scoping potential visit dates in 2020.

- 3.22. It is proposed that the visit be held from June 2020 – which means peer review activity occurs after the GLA election, but within the LGA-suggested two years.
- 3.23. Prior to the follow up visit, LBTH will provide the LGA Peer Team with a Summary Progress Statement - building on the Summary Position Statement provided in 2018, this will be based on the TIB Improvement Action Plan.
- 3.24. The Summary Progress Statement will include a description of the activity undertaken in response to the recommendations in the Peer Challenge Team's June 2018 Feedback Report.

Review of TIB and continuing the Council's transformation and improvement journey

- 3.25. Following the removal of the Directions placed on the Council the Transformation and Improvement Board (TIB) was set up in December 2018.
- 3.26. The TIB has served as the Mayor's external facing improvement board. The Board has ensured that the improvement journey the Council has undertaken in previous years is sustained long term. It has supported the aim to be a modern and efficient Council and has focused on the pace of change and areas of weakness. The TIB has performed the following roles:
- Driven sustainable transformation and improvement across the Council;
 - Provided oversight, support and challenge to officers;
 - Challenged the pace and impact of the Council's transformation and improvement activity/plan;
 - Held Cabinet Members and Responsible Officers to account to ensure the delivery of the transformation and improvement plan;
 - Taken forward the recommendations made by the LGA Corporate Peer Challenge.
- 3.27. The TIB's work programme was developed to focus on a number of areas covering the Mayor's priority areas and significant areas of Council improvement activity which will have a direct impact on residents. The work programme:
- Ensured all outstanding actions from the Best Value Improvement Plan are completed;
 - Provided oversight to the delivery of the LGA Corporate Peer Challenge and Planning Peer Challenge action plans;
 - Provided challenge and direction to the Adult Social Care and Children Social Care improvement programmes and ensure these highly critical services are making the required progress;
 - Monitored the implementation and progress of external facing transformation programmes such as the Customer Access transformation;
 - Review the performance of key services in relation to the Mayor's key priority areas, specifically: safer communities and ASB, housing and capital delivery, cleaner streets and environment, work and greater prosperity, and a new vision for regeneration.

- 3.28. The TIB has completed its work programme for 2019. In developing the work programme for 2020 we need to consider where the TIB can add value and ensure it supports the Council's ongoing improvement journey. The LGA self-assessment, which CLT is set to undertake as part of preparation for the LGA follow up review, provides an opportunity to identify where the Council is under performing and areas which the TIB could include in its work programme to help drive through improvement at pace and in a way that will best improve outcomes for residents.
- 3.29. There have been significant public-facing achievements in 2019 with the result of the OFSTED inspection graded Tower Hamlets Children's Services as GOOD, the launch of the Local Community Fund programme for over 50 projects, and the council is strengthening its collaboration and integration with key partners through the Partnership Executive Group (PEG) and the holding of a business summit with over 100 members of the business community at Canary Wharf.
- 3.30. So too within the council, significant progress and transformation has been made in 2019: the entire LBTH network replaced and upgraded which has improved system speed, productivity and convenience for users; while the Council has deployed secure, stable, fast WiFi to corporate and public users cross the borough; a new strategic plan has been developed which puts a strong focus on outcomes, along with a new Target Operating Model to provide focus and clarity on delivery; a significant review of council strategies and partnership boards has helped increase the pace of decision making and improve service delivery.

Options for continuing transformation and improvement journey in 2020

- 3.31. Now that TIB fulfilled its roles as an external-facing improvement board, and delivered its 2019 work programme, it is timely to consider alternate arrangements.
- 3.32. Going forward, it will be essential to continue the commitment to be open and transparent in the Council's ongoing improvement journey and that public scrutiny is maintained such that the Council is held to account publicly for delivering transformation and improvement.
- 3.33. Considering next steps, a number of options for continuing the Council's transformation and improvement journey in 2020 include:
- **Option 1. Status quo: maintain the TIB** – this option preserves current arrangements which means continuing support for this board and requires establishing a work programme for 2020 – prior to a follow-up visit. Benefits are that public scrutiny is maintained, and drawbacks are that the board is a duplication of other Council oversight and the board may lack direction without a work programme.
 - **Option 2. Ask the Mayor: Question and Answer event** – this option builds on the Mayor's existing public engagement by holding a focused session

on transformation and improvement where residents may ask questions. Benefits are public scrutiny and resident engagement, while drawbacks include that there may be little resident interest in transformation and improvement and resulting discussions may be too specific and unstructured, with little corporate strategic value, and there is no explicit scrutiny member involvement.

- **Option 3. Cabinet extraordinary session for 2020: State of the Borough** – this option provides for Cabinet to review and explore in depth the status of the Council’s transformation and improvement activity in a one-off session, and can be held post LGA follow-up visit. Benefits are that existing public scrutiny is maintained (via Cabinet), with drawbacks being an extra burden on Cabinet, and lack of explicit scrutiny involvement.
- **Option 4 (preferred option). Executive and Scrutiny Deep Dive** - Cabinet, Overview and Scrutiny Committee members hold 1-2 deep dive meetings into the Council’s transformation and improvement progress, focussing on particular areas of interest or improvement - and can be held post LGA follow-up visit. The benefits are that this is public-facing, and involves non-executive elected members (scrutiny) and that this is a streamlined approach. The drawback is that these events need to be managed and supported.

3.34. Option 4 is the preferred option as it balances the need to be open and transparent, and publicly-accountable for the Council’s transformation and improvement, while being not overly burdensome in terms of resources and support, and providing an opportunity for focused and deeper reflection of the underlying issues. The deep dive meetings, post follow-up visit, would be designed with scrutiny members with the first meeting proposed for September to allow for the LGA follow-up visit feedback to be considered.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 There are no specific financial implications emanating from this report.

7. COMMENTS OF LEGAL SERVICES

7.1 The Council is obliged to demonstrate Best Value in the delivery of its functions in terms of economy efficiency and effectiveness. This is the Best Value duty under section 3 of the Local Government Act 1999. The Transformation and Improvement board activity and the Peer Challenge review provide strong evidence of the Council’s compliance with this duty. A further peer challenge review will continue this good practice.

7.2 All four options relating to the future of the Transformation and Improvement Board are legally sound and possible. However, it should be noted that none of the options allow for executive decision making. Therefore, recommendations that emanate from any of the resulting options will need to

be formalised by the executive and presented for decision making to the Mayor in cabinet prior to being formally adopted by the executive.

- 7.3 The contents of this paper does not give rise to any immediate Equality Duty legal issues.

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

1. Summary of LGA feedback report

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

NONE

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Appendix 1 – Summary of LGA feedback report

Response to three scope Qs set by LBTH:

1. To explore how the Council adequately addressed the directions issued by MHCLG and the expectations of the departed Commissioners
[action 1] **Property** – ‘There is now the need to further develop the Asset Management Strategy to ensure the Council optimises benefit against strategic priorities’ (p10)
[action 2] **Procurement** – ‘there is scope to streamline and speed up the decision-making process without jeopardising due process’ (p10)
[action 3] **Grants** – ‘it now needs to enhance the role of Internal Audit in moving to a more proportionate risk-based approach’ (p10)
[action 4] **Communications** – ‘approach to external communications needs further development to make it relevant to Tower Hamlets the place, the Council’s aspirations for the Borough and the role of Members as ambassadors’ (p10)
2. To review if the Council is adequately addressing its chosen priorities and are these delivering continued improvement to local residents and businesses?
[action 5] ‘aspirations that are made clear at a senior level within the Council and with partners need to be further implemented throughout the Council through heads of service, middle managers, team leaders and with all frontline staff’ (p11)
3. Is the council identifying key challenges and setting realistic yet ambitious targets for the future?
[action 6] ‘Council is prioritising a 10 year Capital Investment Strategy to achieve its priorities and has also adopted an Outcomes Based Budgeting approach to delivering efficiencies.’ (p11)
[action 7] ‘As the Council increases in confidence it should ensure that targets for delivery are stretching. The issue for the Council, its staff and partners is not the identification or setting of the targets themselves but the Council’s approach to resourcing and delivering targets at pace. This is its immediate and future challenge.’ (p11)

The Peer Challenge Team’s comments under the five core questions used by all LGA Corporate Peer Challenges:

Understanding of the local place and priority setting

- [action 8] ‘the future focus needs to be on consolidating this position and working towards being more outcome focused, both at a senior level and with partners and through the Council to frontline staff.’ (p12)
- [action 9] ‘The areas of improvement that are presently required include the need for the Council to continue to tackle the **School Place Planning issues** and thereby address the concerns of some children having to travel some distance to school and deliver the **Sufficiency Strategy** in Children’s Services. As we have commented Tower Hamlets has a rich diversity of cultures and faiths and in this context the Council needs to **be clearer about how it responds to issues of faith and the**

Council's role in supporting faith and cultural practice. An example is the growing need for places of worship which may take up space in community facilities which already experience high demand and therefore impact on use by others. As its population grows and diversifies the Council needs to plan for these needs. It is also important that the Council develops a Growth/Economic Development Strategy that delivers the priorities of the place and this is addressed further in the next section.' (p12)

Organisational leadership and governance

[action 10] 'the Council is presently risk averse and it needs to review its risk appetite as part of improving the pace of decision-making and action to implement policy. As part of this cultural change, the Council needs to promote a more balanced and proportionate risk management approach to enable the Members and officers to become innovative, confident and ambitious for the Council, whilst still respecting and following good governance and Internal Audit recommendations' (p13)

Financial planning and viability

[action 10] 'there is a need to also focus on financial discipline within departments so that they are meeting their spending forecasts and targets. The Medium Term Financial Plan and 10 year Corporate Capital Plan are in place but prioritisation needs to be developed alongside investment to ensure sustainability and alignment with the Council's priorities. The peer team recommend that an Asset Management Strategy is created that covers all of the assets of the Council.' (p16)